

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

CORAM HEALTHCARE CORP. and
CORAM, INC.,

Debtors.

)
)
)
) Case Nos. 00-3299
) through 00-3300 (MFW)
)

United States Bankruptcy Court
824 Market Street - Sixth Floor
Wilmington, Delaware

December 1, 2000
9:00 a.m.

BEFORE: HONORABLE MARY F. WALRATH,
United States Bankruptcy Judge

TRANSCRIPT OF PROCEEDINGS

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1 didn't understand or know or didn't have the
2 experience or background and wished to have an older,
3 more experienced senior person to help.

4 Q. Just so the record is clear, Rick Smith is what
5 or who?

6 A. Rick was the the president and chief executive
7 officer of Coram.

8 Q. Did you speak with Mr. Feinburg before you went
9 to speak with Mr. Smith?

10 A. Yes.

11 Q. Did you develop any understanding as to what
12 his views were with respect to Coram?

13 A. Yes.

14 Q. What were they?

15 MR. LEVY: Your Honor, I think, and this
16 may be technical, but this is plainly hearsay and if I
17 knew --

18 THE COURT: Sustained.

19 MR. FRIEDMAN: Your Honor, I would like to
20 address just two points that I think will be common to
21 a number of questions. Number one, this is a case
22 where the witness's good faith is at issue and where a
23 conspiracy has been alleged. I think it's impossible
24 to address those issues without addressing statements



1 time -- sorry.

2 You indicated there came a time when you
3 were a consultant to Coram. Did there come a point
4 when those responsibilities changed?

5 A. Yes.

6 Q. Could you tell the Court what happened?

7 A. Rick Smith resigned suddenly with no notice,
8 Your Honor, and walked off the job. Steve Feinberg
9 freaked out. They had no CEO at all, and the board
10 was left with nobody running the company.

11 I submitted a proposal to the then
12 chairman of the board of Coram, a fellow by the name
13 of Don Ameral. And the proposal was that Dynamic
14 Healthcare Solutions and I would act as crisis
15 managers, interim management. We would go in and
16 stabilize it. I didn't want to be the CEO of Coram.
17 I said so.

18 But I would be the crisis management team
19 while the board explored all of its options, what it
20 could do, would do, what their choices were.

21 Q. Was the board receptive to that idea?

22 A. The board -- I don't speak for it. Don Ameral
23 came back to me and said, "We're not going to go that
24 direction."

